

Exhibit 3

**DELBELLO DONNELLAN WEINGARTEN
WISE & WIEDERKEHR, LLP**

Alfred E. Donnellan
Partner
aed@ddw-law.com

COUNSELLORS AT LAW
THE GATEWAY BUILDING
ONE NORTH LEXINGTON AVENUE
WHITE PLAINS, NEW YORK 10601
(914) 681-0200
FACSIMILE (914) 684-0288

Connecticut Office
1111 SUMMER STREET
STAMFORD, CT 06905
(203) 298-0000

January 7, 2020

BY EMAIL lizerj@watersedgeusa.com
BY FEDERAL EXPRESS

HBL SNF, LLC
1280 Albany Post Road
Croton-on-Hudson, NY 10520
Attn: Lizer Josefovici

**NOTICE OF DEFAULT
AND LANDLORD'S ELECTION TO TERMINATE LEASE AND
ACCELERATE ALL RENTS DUE FOR THE BALANCE OF THE LEASE TERM**

PREMISES: 116-120 Church Street, White Plains, New York ("the Leased Premises")

Mr. Josefovici:

We are attorneys for your Landlord, White Plains Health Care Properties I, LLC.

PLEASE TAKE NOTICE, that HBL SNF, LLC ("HBL") is in material violation of the provisions of its November 19, 2015 Lease, for the above referenced premises ("the Lease"), and the November 20, 2019 Letter of Intent (the "LOI"), the terms of which are in full force and effect (the "LOI"), and is in **DEFAULT** thereof, as follows:

1. Lease Section 3.2. and LOI Para 6) d) ii) – Payment of Rent: HBL has failed or refused to pay the following Rent:
 - a. Rent due for Sept. 30, 2019 – Dec. 31, 2019, totaling \$10,831.79.
 - b. Additional Rent due for Jan. 01 - 31, 2020, due Jan. 1, 2020, totaling \$40,000.00.
2. Lease Section 4.2. and LOI Para 6) b) - Payment of Real Estate Taxes: HBL has failed to pay the following Real Estate Tax payments:
 - a. Real Estate Taxes for the period 07/01/19 - 12/31/19, specifically the Tenant's prorated portion thereof, (exclusive of late fees, costs, penalties and interest per municipal regulations and per the Lease), totaling \$61,456.39.
 - b. Real Estate Taxes for the period Jan. 01, 2020 – June 30, 2020 totaling \$121,587.12

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3. LOI Para 6) b), and Lease Section 5.2 – Payment of Utility Deposits and Municipal Maintenance Escrows: HBL has failed to pay the following Utility Deposits and Municipal Maintenance Escrows:
 - a. Utility Deposits totaling \$60,356.10
 - b. Municipal Maintenance Escrows totaling \$5,500.00
4. Lease Section 4.1, LOI Section 6) j) - Utility Charges: HBL has failed to pay the following Utility Charges:
 - a. ConEdison invoice paid by the Landlord to avoid power shutoff, in the amount of \$2,972.84.
5. Lease Article VI, including Section 6.2; LOI Para 6) h) – Delivery of Insurance Certificates.
 - a. HBL has failed to deliver certificates of insurance to Landlord in accordance with Article VI and Section 6.2 of the Lease.
6. Lease Section 7.4 (g) and (j) – Reporting and other Obligations:
 - a. HBL has failed or refused to deliver to the Landlord all Medicare, Medicaid and other provider agreements and reimbursement rate sheets for the Facility.
 - b. HBL has failed or refused to deliver to the Landlord all Medicare, Medicaid and other provider updated reimbursement rate sheets for the Facility.
7. Lease Section 7.4 (a) – Reporting and other Obligations:
 - a. HBL has failed or refused to deliver to the Landlord the required financial reporting required under the Lease.
8. Lease Section 7.4 (B) (vi) – Reporting and other Obligations:
 - a. HBL has failed or refused to deliver to the Landlord the required written reports providing an operational overview of significant events and circumstances at the Facility during each prior month of the Term of the Lease.
9. Lease Section 7.1(a)(ii), as amended by LOI Para 6) d) i) – Security Deposit.
 - a. HBL has failed or refused to deliver to the Landlord by December 1, 2019 the security deposit of \$1,000,000.00, to secure full and timely payment and performance of Tenant's obligations under the Lease.
10. Lease Section 7.1(a)(iii), as amended by LOI Para 6) e) – Additional Security Deposit.
 - a. HBL has failed to deliver the blocked account agreement prohibiting any liquidation of the of \$1,600,000.00 held by JPMorgan Chase Bank, N.A. in the controlled account number 3379737272.
11. Lease Section 4.1, 3.2 (c), and 9.1 (b) – Payment of Late Fees and Costs
 - a. HBL has failed to pay late fees and costs related to the above failures to pay its obligations under the Lease and the LOI in the timeframes required thereunder, as set forth in the attached accounting, totaling \$23,425.09

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A true and accurate accounting of the amounts due and owing under the Lease and the LOI is attached herewith.

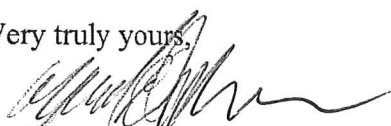
By reason of the aforementioned material Defaults under the Lease and the LOI, the Landlord, hereby exercises its right under Section 16.1 of the Lease to terminate the Lease as well as Tenant's right of possession of the Leased Premises, effective January 13, 2020 at 5.00 PM NYC time.

PLEASE TAKE FURTHER NOTICE, that, in accordance with Section 16.1 of the Lease, all rent for the balance of the term of the Lease is accelerated, and pursuant to said lease provision, HBL is obligated to pay the Landlord \$84,073,989.91, being the present value of such accelerated rent, discounted at the rate of 6% *per annum*.

Landlord reserves all other rights and remedies at law or in equity as against the Tenant, all guarantors of the Lease, and the holders of any funds allocated or designated for Landlord's benefit.

Landlord further reserves all rights arising from the Collateral Assignment and Pledge of Membership Interest and Security Agreement dated August 11, 2017 ("the Pledge"), including but not limited to all rights to enforce the Pledge through a private or public sale of the assignor's interest in Waterview Acquisition I, LLC or through a judicial foreclosure of the assignee's security interest therein.


Very truly yours,



ALFRED E. DONNELLAN

AUTHORIZED AND APPROVED:

White Plains Health Care Properties I, LLC



Joshua Roccapiore
Authorized Representative

cc: By Email (lizerj@watersedgeusa.com) & Federal Express
Lizer Josefovic, Guarantor, Individually
53 Mariner Way
Monsey, NY 10952

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By Email (markn@epicmgt.com) & Federal Express
Mark Neuman, Guarantor, Individually
22 Lyncrest Drive
Monsey, NY 10952

By Email (mzafrin@mrlp.com) & Federal Express
Michelman & Robinson
800 Third Avenue, 24th Floor
New York, NY 10022
Attn: Mark Zafrin, Esq.

By Federal Express
Gerald Neuman, Individually
c/o HBL SNF, LLC
1280 Albany Post Road
Croton-on-Hudson, NY 10520

WHITE PLAINS HEALTH CARE PROPERTIES I, LLC

c/o **THE CONGRESS COMPANIES**

General Contractors, Construction Managers, Property Managers, Development Services
BOSTON:
West Peabody Executive Center
2 Bourbon Street
Peabody, MA 01960
Phone: 978-535-6700
Fax: 978-535-6701

7-Jan-19

NOTICE OF AMOUNTS AND DELIVERABLES DUE UNDER LEASE & LOI of 11/20/19

Gentlemen: Pursuant to the Lease and the LOI dated November 20, 2019, the following are due:

	<u>AMOUNTS PAYABLE</u>	<u>Due Date</u>	<u>Amt Due</u>	<u>Amounts Paid</u>	<u>Amt Past Due</u>
1	Rent January, 2020 (See Note 1 Below)	01/01/20	\$ 546,096.50	\$ 506,096.50	\$ 40,000.00
2	Rent 9/30/19 - 11/30/19	12/01/19	\$ 10,831.79	\$ -	\$ 10,831.79
	SUBTOTAL RENT AND ADDITIONAL RENT:		\$ 556,928.29	\$ 506,096.50	\$ 50,831.79
3	RE Taxes 7/1/19-12/31/19, Tenant portion: 09/30/19-12/31/19	12/01/19	\$ 61,456.39	\$ -	\$ 61,456.39
4	RE Taxes for the period 1/1/20 - 6/30/20	12/01/19	\$ 121,587.12	\$ -	\$ 121,587.12
	SUBTOTAL REAL ESTATE TAXES		\$ 183,043.51	\$ -	\$ 183,043.51
5	Utility Deposits	12/01/19	\$ 60,356.10	\$ -	\$ 60,356.10
6	Municipal Deposits	12/01/19	\$ 5,500.00	\$ -	\$ 5,500.00
7	ConEdison Electric Invoice	12/17/19	\$ 2,972.84	\$ -	\$ 2,972.84
	Subtotal		\$ 68,828.94	\$ -	\$ 68,828.94
	TOTAL RENT, RE TAXES, & OTHER		\$ 808,800.74	\$ 506,096.50	\$ 302,704.24
8	Security Deposit 1st payment	12/01/19	\$ 1,000,000.00	\$ -	\$ 1,000,000.00
	TOTAL AMTS DUE EXCLUDING LATE FEES & COSTS		\$ 1,808,800.74	\$ 506,096.50	\$ 1,302,704.24
9	Interest on past due real estate taxes on a per-diem basis:	12/15/19	\$ 3,039.68	\$ -	\$ 3,039.68
10	Late Fees of 5% on items 1,2,3,5,6,7	12/15/19	\$ 9,055.86	\$ -	\$ 9,055.86
11	Interest on Items 1,2,3,5 & 6 at the Overdue Rate (Prime+5%)	12/15/19	\$ 11,329.55	\$ -	\$ 11,329.55
	TOTAL LATE FEES AND COSTS		\$ 23,425.09	\$ -	\$ 23,425.09
	TOTAL AMOUNTS DUE		\$ 1,832,225.83	\$ 506,096.50	\$ 1,326,129.33

ADDITIONAL NOTICE OF ITEMS DUE: As required per the Lease and LOI , please provide the following:

1 Notice is hereby made to that Jan. 2020 & all subsequent Rent shall be due in the amount of: \$546,096.50, calculated as: \$506,096.50 rent plus \$40,000.00 additional rent

2nd Notice

2 Notice is hereby made to provide all Medicare and Medicaid provider Agreements and rates.

2nd Notice

3 Notice is hereby made to provide Annual Budget, Capital Expenditures, Operating Budget, Annual Financial Reporting, monthly financial reporting Financial Reporting, Variance Reporting, Unaudited Financial Reports

4 Notice is hereby made to provide per a written report of significant events at the facility including: Copies of all documents, reports, licenses and certificates from NY DOH pertaining to the Operations of the Facility

2nd Notice

5 Notice is hereby made to provide: Evidence of Insurance, including all required coverages under the lease, and all additional insureds.

2nd Notice